**Postal Regulatory Commission**
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UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting Rules — Docket No. RM2018-2

REPLY COMMENTS OF THE PARCEL SHIPPERS ASSOCIATION (PSA)

(April 6, 2018)

The Parcel Shippers Association (PSA) respectfully submits these comments in response to Order No. 4347 (January 5, 2018), which requested comments on the Postal Service's petition proposing revisions to periodic reporting requirements. These reply comments address two points made by United Parcel Service (UPS) in its initial comments.[1]

First, UPS "is concerned about potential alterations to requirements for public reporting, and requests the Commission to provide advance notice and a request for comments prior to making any such determination." UPS Comments at 10. PSA believes this is a reasonable request. If the Commission decides to propose additional changes in reporting requirements, it should continue its practice of providing notice of the proposed changes and an opportunity for interested parties to comment.

Second, UPS makes the general request that "[t]he Commission ensure that all changes requested by the Postal Service increase, rather than decrease, the quality and quantity of the information that is available to the public" and "hold the Postal

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[1] Comments of United Parcel Service, Inc. on Advance Notice of Proposed Rulemaking to Revised Periodic Reporting Requirements (March 7, 2018).

Service to higher accounting and reporting standards than those imposed on their private sector counterparts." *Id.* at 2.

PSA disagrees with this approach to evaluating new reporting requirements because it would act as an unbalanced one-way ratchet that can only increase USPS reporting requirements and administrative burden. This approach is particularly inappropriate because USPS financial reporting for competitive products – highlighted by the public and nonpublic Cost and Revenue Analysis (CRA) reports and underlying work papers – is already substantial, likely much greater than that of its private competitors, and more than sufficient to allow the Commission to assess statutory compliance.

Instead, new reporting requirements should be evaluated based upon whether they are necessary to allow the Commission to assess statutory compliance and adequately protect proprietary information. In particular, the PRC should reject any new financial reporting requirements that require costs to be reported in ways – *e.g.,* reporting based upon non-causal cost allocations – that conflict with the Commission's established and correct cost attribution approach and thus would be of no value in assessing statutory compliance. Information not needed to assess statutory compliance is likely of little value to the Commission, but could be of great commercial value to competitors.

Respectfully submitted,

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